



Provincial Sales Tax (PST) Bulletin

Bulletin PST 102

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Commercial Fishers

Provincial Sales Tax Act

Latest Revision: The revision bar (|) identifies changes to the previous version of this bulletin dated February 2016. For a summary of the changes, see Latest Revision at the end of this document.

This bulletin provides information to help commercial fishers understand how PST applies to their businesses.

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Qualifying Commercial Fishers

You are a **qualifying commercial fisher** if you have a commercial fishing licence issued under the *Fisheries Act* (Canada) and, during the immediately previous calendar year, you either:

- earned gross income of at least \$10,000 from commercial fishing in waters in or adjacent to BC, or
- earned at least 51% of your total gross income from commercial fishing in waters in or adjacent to BC.

Some commercial fishing licences, including Categories D and P, are issued for non-fishing activities. If you only operate under these licences (e.g. a Category D licence to operate a fish packing vessel), you are not a qualifying commercial fisher.

Exempt Boats, Fishing Nets and Fishing Equipment

As a qualifying commercial fisher, you may purchase or lease boats, fishing nets and fishing equipment exempt from PST if used solely for a commercial fishing purpose.

Fishing equipment includes the items listed in Appendix 1 at the back of this bulletin.

Parts for Exempt Boats, Fishing Nets and Fishing Equipment

You are exempt from PST on parts designed for exempt boats, fishing nets and fishing equipment. These specifically designed parts do not have to come from the same company that made the boats, fishing nets and fishing equipment.

You pay PST on generic parts and materials used to repair both exempt items and taxable items. This includes parts that can be used on a variety of items (e.g. nuts and bolts, screws).

Related Services Exemption

If you are a qualifying commercial fisher, you are exempt from PST on related services provided to exempt boats, fishing nets and fishing equipment, or provided to install these items. For details on how to claim your exemption, see Claiming Exemptions below.

However, as a general rule, if the goods are taxable when purchased or leased, services provided to the goods are also taxable. This includes services to repair your vehicles.

For more information, see [Bulletin PST 301](#), *Related Services*.

Claiming Exemptions

If you are a qualifying commercial fisher, to purchase or lease boats, fishing nets and fishing equipment exempt from PST at or before the time of sale or lease, give your supplier a completed *Certificate of Exemption – Commercial Fisher* ([FIN 455](#)).

Your supplier needs to keep this certificate as part of their records. You can make future purchases or leases of boats, fishing nets and fishing equipment exempt from PST from this supplier based on the same certificate, provided the information on the certificate is still correct. You must complete a new exemption certificate if the information has changed.

If you do not provide a completed exemption certificate at or before the time of the purchase or lease, you are required to pay PST. If you provide the required documentation after the purchase or lease but within 180 days, the supplier may refund or credit you the PST charged. For more information on refunds and credits by suppliers, see [Bulletin PST 400](#), *PST Refunds*.

Note to suppliers: If your customer claims an exemption as a qualifying commercial fisher with an exemption certificate, and it is later found that the purchaser or lessee did not qualify for the exemption, your customer is liable for any PST, interest and penalties associated with the purchase or lease. However, if you had reason to believe your customer was not entitled to

the exemption (e.g. your customer provided you with an exemption certificate stating the equipment was being purchased for commercial fishing use but you know the person is no longer operating as a commercial fisher) and you provided the exemption, you may also be subject to an assessment.

Refunds for Qualifying Commercial Fishers

If you are a qualifying commercial fisher and you pay PST on exempt boats, fishing nets or fishing equipment, you may qualify for a refund.

Required Information or Documentation Not Provided at the Time of Sale of Lease

If you paid PST to your supplier on exempt boats, fishing nets or fishing equipment because you did not provide the required documentation to support your eligibility for exemption at the time of sale or lease, your supplier may provide you with a refund or credit of the PST paid if you provide the required information within 180 days of the date the PST was charged.

Alternatively, you may apply to us for a refund at any time within 4 years of the date the PST was paid (see Requesting a Refund from Us below).

New Qualifying Commercial Fishers

Until you are a qualifying commercial fisher, you must pay PST on all boats, fishing nets and fishing equipment you use in your business. Once you qualify, you can apply for a PST refund on boats, fishing nets and fishing equipment, and on specialized parts for those items, that you purchased and leased within the 12-month period prior to meeting the criteria as a qualifying commercial fisher.

Boats Purchased With Fishing Licences for a Single Price

Boats and fishing licences are sometimes purchased together for a single price. If you are not a qualifying commercial fisher at the time you purchase a boat for a single price with a fishing licence, you pay PST on the fair market value of the boat. If you become a qualifying commercial fisher within the 12-month period following the date of purchase, you can apply for a refund to recover the PST paid on the boat.

Requesting a Refund from Us

To apply for a refund from us, please provide us with a completed *Application for Refund of Provincial Sales Tax (PST) – Qualifying Farmers, Aquaculturists, Fishers* ([FIN 355/FAF](#)) and the required supporting documentation listed in the instructions to the form. Send your refund application and supporting documents to the address provided on the application form.

Unless otherwise noted, we must receive your refund claim within four years from the date you paid the PST. If you receive a refund from your supplier, you cannot also apply for a refund from us.

Taxable Items

When to Pay PST

As a qualifying commercial fisher, you may purchase or lease boats, fishing nets and fishing equipment exempt from PST if used solely for a commercial fishing purpose. PST applies to all other goods unless your business qualifies for another exemption or the equipment is not taxable. For more information, see [Other Exemptions](#) below.

Examples of taxable items are provided in Appendix 2 at the end of this bulletin. If your supplier does not charge you PST on taxable items, you must self-assess (pay directly to us) the PST due on your next PST return.

If you do not have a PST number, you must self-assess the PST due using a *Casual Remittance Return* ([FIN 405](#)) on or before the last day of the month following the month you purchased or leased the taxable items. For example, if you purchased a taxable item in June, you must file the return and pay the PST no later than July 31.

Goods Brought Into BC

As a qualifying commercial fisher, you may purchase or lease boats, fishing nets and fishing equipment exempt from PST from out-of-province suppliers.

You must pay PST if you purchase or lease taxable goods outside BC and bring, send or receive the goods in BC. You must pay PST on the total amount you pay to bring the goods into BC, including charges for transportation, customs, excise and any other costs, except the goods and services tax (GST).

If your supplier does not charge you PST at the time of the sale or lease, you must self-assess the PST due on your next PST return. If you do not have a PST number, you must self-assess the PST due using a *Casual Remittance Return* ([FIN 405](#)) on or before the last day of the month following the month you brought, sent or received goods into BC. For example, if you brought taxable goods into BC in June, you must file the return and pay the PST no later than July 31.

For more information, see [Bulletin PST 310](#), *Goods Brought Into BC*.

Change in Use

If you purchase boats, fishing nets or fishing equipment exempt from PST, and later use that item for a taxable purpose (e.g. personal or commercial use other than fishing), PST applies as of the date you use the item for a taxable purpose.

You calculate and self-assess PST on the greater of the **depreciated value** or 50% of the original purchase price. This calculation must be done separately for each item.

You must self-assess the PST due on your next PST return. If you do not have a PST number, you must self-assess the PST due using a *Casual Remittance Return* ([FIN 405](#)) on or before the last day of the month following the month you used the goods for a taxable purpose.

Calculating Depreciation

The **depreciated value** is determined on a straight-line basis as follows:

$$\text{Depreciated value} = \text{Purchase price} - [\text{purchase price} \times \text{depreciation rate}]$$

You may only calculate the depreciated value on the following types of equipment using the depreciation rates listed below. Goods not listed below **cannot** be depreciated.

Type of Equipment	Depreciation Rate
Vehicles, including all trailers and self-propelled equipment	30% per year, plus 2.5% per 30-day period for partial years
Aircraft	25% per year, plus 2.0833% per 30-day period for partial years
Vessels	15% per year, plus 1.25% per 30-day period for partial years
Railway rolling stock	10% per year, plus 0.8333% per 30-day period for partial years
Other equipment, furnishings and affixed machinery	20% per year, plus 1.667% per 30-day period for partial years)

To calculate the depreciation rate, follow these steps:

1. Calculate the number of whole years between the date you acquired the goods and the date you used them for a taxable purpose.
2. After calculating #1 above, calculate the number of days remaining in the partial year (if any) between the date you acquired the goods and the date you used them for a taxable purpose. Both the first and last days should be counted.
3. Divide the number of days calculated under #2 by 30 and round to the nearest whole number (0.5 and above is rounded up to 1). This is the number of 30-day periods.
4. Calculate the depreciation rate by multiplying the applicable rates in the table above by the number of years and 30-day periods.

Change in Use for Leased Goods

If you lease (as a lessee) boats, fishing nets or fishing equipment exempt from PST, and later use those goods for a taxable purpose (e.g. personal or non-fishing commercial use), you must self-assess PST as explained in [Bulletin PST 315](#), *Rentals and Leases of Goods*.

Other Exemptions

Containers and Packaging Materials

You are exempt from PST on containers and packaging materials (except reusable containers) you obtain solely for packaging goods for sale or lease, or if you provide them to your customers with their purchases of goods. However, you must pay PST on containers and packaging materials if you use them for other purposes, such as storing, handling or shipping goods, or you use them to provide a service.

Generally, you are not required to charge PST on the containers and packaging materials you provide with goods and services, unless you separately charge your customers for them. However, in limited circumstances, you may be required to charge PST on the fair market value of the containers and packaging materials.

For more information, see [Bulletin PST 305](#), *Containers and Packaging Materials*.

Safety Equipment and Protective Clothing

The following safety equipment and protective clothing is exempt from PST:

- Work-related safety equipment and protective clothing designed to be worn by, or attached to, a worker if required under specified provincial work safety legislation when purchased or leased by an employer, self-employed person or educational institution
- Specifically listed work-related safety equipment and protective clothing designed to be worn by a worker
- Specifically listed general safety equipment and protective clothing

For more information, see [Bulletin PST 100](#), *Safety Equipment and Protective Clothing*.



Need more info?

Online: gov.bc.ca/pst

Toll free: 1 877 388-4440

Email: CTBTaxQuestions@gov.bc.ca

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The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation.

Latest Revision

June 2018

- Corrected the refund information to state that you may refund or credit your customer the PST paid if your customer provides you with the required documents within 180 days of the date the PST was **charged**
 - Clarified the section on Goods Brought Into BC
 - Minor revisions
-

References: *Provincial Sales Tax Act*, sections 25, 30, 82, 82.1, 141 and 145; Provincial Sales Tax Exemption and Refund Regulation, section 1 “fishing equipment”, “qualifying commercial fisher”, 32-35, 48, 66, 75, 130 and Schedule 3; Provincial Sales Tax Regulation, sections 10 and 21.

Appendix 1 – Examples of Exempt Fishing Equipment

Qualifying commercial fishers may purchase or lease boats, fishing nets and fishing equipment exempt from PST if used solely for a commercial fishing purpose. Fishing equipment includes the equipment described below.

Note: Equipment that is not listed below may also qualify as fishing equipment and be purchased or leased exempt of PST. If you are unsure how tax applies, please contact us.

- Aeration equipment
- Anchors, anchor chain, links and shackles
- Bait
- Barometers
- Batteries obtained for use for boats, gill net lights, radios and radio equipment
- Bilge pumps obtained for use for pumping out water resulting from ice used for freezing or cooling fish
- Black trawl anchors
- Bluestone
- Boat fenders
- Boat hand bailers
- Boathooks
- Bolts obtained for use for attachment to a boat
- Buoys obtained for use for indicating location of nets
- Chain
- Charts and navigating instruments
- Chocks obtained for use for attachment to a boat for guiding lines
- Compression fittings obtained for use on a boat
- Connectors obtained for use as part of fishing gear
- Depth sounders
- Dinghies
- Direction finders
- Electric cord ends (20-amp and 30-amp) obtained for use for moorage power
- Electronic monitoring equipment designed for use for monitoring fishing activities, and software designed for use on such equipment
- Engines obtained for use with boats, including outboard motors
- Fast eye blocks
- Fasteners made of galvanized steel, stainless steel, brass or galvanized brass
- Fibreglass cloth and resin obtained for use for boat repairs
- Fish hooks, sinkers, jigs, plugs, lures, spoons and spoon metal
- Fish lines
- Fish tags and tagging equipment
- Floats obtained for use with fishing nets
- Fog bells and horns
- Fuel pumps

Appendix 1 – Examples of Exempt Fishing Equipment

- Gaffs
- Galvanized steering blocks
- Gill net lights
- Gurdies
- Heat-shield insulation blankets obtained for use for boat engines
- Ice blankets
- Lamps (6-volt, 12-volt and 32-volt)
- Loose hook blocks
- Marine electrolysis eliminators
- Marine paint
- Metal shapes obtained for use on a boat to designate the type of boat or the direction in which fishing gear is set
- Navigation lights
- Net covers
- Net dye
- Oar locks and row locks
- Oars
- Otter trawl net leather
- Pet food obtained for use as bait for shrimp
- Plastic wood and putty
- Plumbing fittings obtained for use on a boat
- Portlights
- Propellers
- Quadrants designed for rudders
- Radar reflectors
- Radios and radio equipment
- Recorder paper
- Refrigeration equipment designed for installation on boats
- Rocking stabilizers
- Rope obtained for use on a boat or with a fishing net
- Safety-at-sea equipment, including the following:
 - buoyancy equipment
 - clock stations and supplies
 - fire axes and hatchets
 - fire extinguishers and refills
 - fire-fighting equipment
 - flares and rockets
 - immersion survival suits
 - life rafts

Appendix 1 – Examples of Exempt Fishing Equipment

- lifeboats and contents
- public address systems
- sprinkler systems
- Sails
- Ship clocks obtained for use on a boat
- Ship-to-shore radio telephones, but not including cellular telephones
- Signal bells
- Sinks and toilets obtained for use on a boat
- Snatch blocks obtained for use for holding fishing net lines
- Steering wheels
- Stoves and oil burners
- Tarpaulins and hatch covers
- Tide tables
- Traps
- Trolling bells
- Trolling blocks obtained for use to guide fishing lines
- Trolling springs and swivels obtained for use as part of fishing lines
- Turnbuckles obtained for use to tighten wires on a mast
- Underwater viewing scopes
- Water pumps
- Winches
- Wood manufactured for marine use if obtained for use for boat repairs
- Zinc plates

Appendix 2 – Examples of Taxable Items

PST applies to the items listed below. This is not an all-inclusive list and there may be other items not listed here that are taxable.

- Bait - for sport fishers
- Belts for tools and equipment - worn by a worker
- Building supplies - unless the building supplies are exempt fishing equipment, such as marine paint, and wood manufactured for marine use if obtained for use for boat repairs
- Cleaning supplies
- Computer hardware and non-custom software (unless the software is designed for use on electronic monitoring equipment)
- Consumables, including antifreeze, caustic soda, cleaning compounds and degreasers, grease, lubricants, oil and rags
- Fish fillet skimmers
- Flags
- Formaldehyde
- Hoses - unless designed as standard engine parts
- Log and boom chains - when acquired by oyster fishers for rafts
- Pennants
- Plant equipment and machinery - all types
- Processing equipment - all types
- Rafts
- Regular work clothing - containing no safety protection other than from the weather
- Seal bombs
- Storage equipment, on-shore
- Vehicles